



Louisiana Higher Education

#ElevateLouisiana

Dr. Joseph C. Rallo
Commissioner of Higher Education
Committee of 100 Meeting
October 17, 2017

Where we began...



Elevate Louisiana!

Educate & Innovate



Educate

Louisiana's goals for higher education



Innovate

“Educate through Higher Education to improve Lives and Create a Strong Workforce.”

Enable Louisiana's working age population to participate in and complete a degree/credential program to improve their lives and deliver the workforce needed to support the state's economic expansion.

“Innovate to Build Louisiana's Economy.”

Invest strategically in research that supports innovation and economic development.



www.regents.la.gov

#ElevateLouisiana



Louisiana Higher Education: The True Picture

Higher Education Institutions (Excluding LOSFA and Hospitals)

Fiscal Year	Total State Funds	Self Generated Funds	Federal Funds and Interagency Transfers	Total
FY 08-09	\$1,571,583,691	\$721,868,856	\$142,575,679	\$2,436,028,226
<i>FY 08-09 Mandated Costs Paid Back To The State</i>				(\$445,116,071)
<i>*FY 08-09 Scholarships and Fellowships</i>				(\$100,913,609)
<i>Dollars available for operations</i>				<u>\$1,889,998,546</u>
Fiscal Year	Total State Funds	Self Generated Funds	Federal Funds and Interagency Transfers	Total
FY 17-18	\$831,689,005	\$1,457,093,461	\$55,764,068	\$2,344,546,534
<i>FY 17-18 Mandated Costs Paid Back To The State</i>				(\$618,026,878)
<i>*FY 17-18 Scholarships and Fellowships</i>				(\$219,219,708)
<i>Dollars available for operations</i>				<u>\$1,507,299,948</u>
Change in 10 years: \$382M Less for operations				(\$382,698,598)

*Institutions provide scholarships/fellowships to attract the best students and to abide by legislative mandates at the expense of not receiving all budgeted tuition/fees.

Note: Self generated funds include \$123 million of TOPS awards in FY 09 and \$272 million in FY 18.

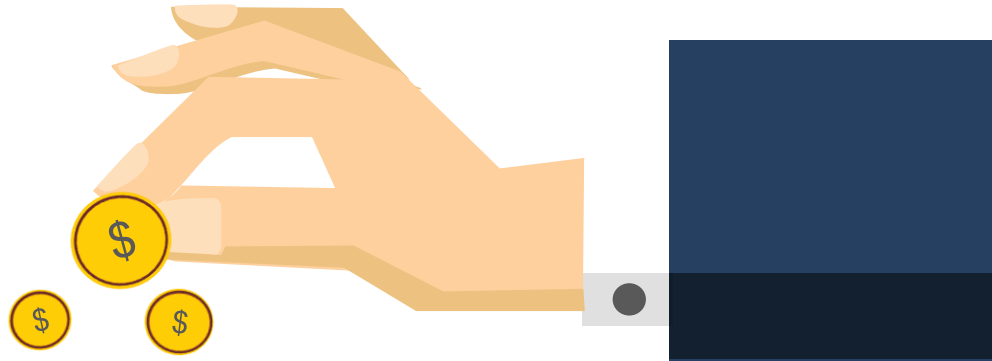


FY 18 Higher Education Mandated Costs

Teachers Retirement	\$228,608,968
Group Insurance - Actives	\$129,067,308
Group Insurance - Retirees	\$80,871,798
LASERS	\$71,526,143
Office of Risk Management	\$49,873,000
Other Retirement	\$16,918,712
Legislative Auditor	\$5,459,192
FICA/Medicare Tax	\$16,726,809
Civil Service/CPTP	\$1,199,151
Office of State Purchasing (OSP)	\$200,358
Building Rent/Maintenance	\$2,563,377
Group Insurance Life	\$1,486,174
Unemployment Benefits	\$840,752
Office of Telecommunication Services (OTS)	\$664,783
Capital Park Security	\$118,232
Other Related Benefits	\$271,847
UPS	\$6,012
Other	\$11,624,261
TOTAL	\$618,026,878



**74¢ of every \$1 in state higher education funding
goes back to the state for mandated costs**



		
State Support	\$831,689,005	
Mandated Costs	- \$618,026,878	
	\$213,662,127	

Remaining state
support for higher
education



Source: Board of Regents

Institution Name	State Appropriated Funds	Mandated Costs	% Returned to State
Baton Rouge CC	\$15,200,098	\$10,723,074	70.55%
Bossier Parish CC	\$11,236,687	\$7,382,346	65.70%
Central LA Tech. CC	\$6,403,870	\$3,602,264	56.25%
Delgado CC	\$27,140,558	\$20,721,299	76.35%
L.E. Fletcher Tech. CC	\$3,541,215	\$2,712,392	76.59%
LCTC BOS	\$17,099,163	\$2,783,293	16.28%
LCTCS Online	\$1,286,145	\$44,876	3.49%
Louisiana Delta CC	\$7,758,265	\$3,957,342	51.01%
Louisiana Tech. College	\$8,791,909	\$7,446,349	84.70%
Nunez CC	\$3,768,815	\$2,636,740	69.96%
Northshore Tech. CC	\$5,628,238	\$3,674,045	65.28%
River Parishes CC	\$3,473,463	\$1,961,485	56.47%
South Louisiana CC	\$13,000,056	\$8,252,476	63.48%
Sowela Technical CC	\$8,494,558	\$4,353,070	51.25%
LCTC System Total	\$132,823,040	\$80,251,051	60.42%

Institution Name	State Appropriated Funds	Mandated Costs	% Returned to State
Southern Ag. Ctr.	\$5,255,225	\$2,327,037	44.28%
Southern BR A&M	\$21,280,573	\$20,329,483	95.53%
Southern Law	\$4,224,000	\$2,375,733	56.24%
Southern New Orleans	\$6,763,647	\$5,345,733	79.04%
Southern Shreveport	\$5,713,034	\$3,505,415	61.36%
SU BOS	\$2,959,185	\$559,218	18.90%
SU System Total	\$46,195,664	\$34,442,619	74.56%

Mandated Costs by Institution

Institution Name	State Appropriated Funds	Mandated Costs	% Returned to State
LSU Ag Center	\$72,048,788	\$31,825,710	44.17%
LSU Alexandria	\$5,122,767	\$5,448,600	106.36%
LSU A&M	\$128,728,129	\$123,403,387	95.86%
LSU Eunice	\$4,876,931	\$3,887,488	79.71%
LSU HSC - New Orleans	\$80,082,407	\$42,899,870	53.57%
LSU HSC - Shreveport	\$65,603,447	\$48,167,495	73.42%
LSU Shreveport	\$8,262,843	\$7,401,314	89.57%
Pennington	\$16,279,215	\$9,957,469	61.17%
LSU System Total	\$381,004,527	\$272,991,333	71.65%

Institution Name	State Appropriated Funds	Mandated Costs	% Returned to State
Grambling State	\$13,467,931	\$13,566,602	100.73%
Louisiana Tech	\$29,154,266	\$30,349,414	104.10%
McNeese State	\$19,472,648	\$19,781,621	101.59%
Nicholls State	\$15,130,583	\$18,598,607	122.92%
Northwestern State	\$21,135,713	\$20,476,389	96.88%
Southeastern La	\$29,558,328	\$35,705,892	120.80%
UL BOS	\$1,025,487	\$1,006,496	98.15%
Univ. of La - Lafayette	\$47,947,123	\$44,524,788	92.86%
Univ. of La - Monroe	\$25,870,239	\$21,287,744	82.29%
Univ. of New Orleans	\$29,183,813	\$20,882,447	71.55%
UL System Total	\$231,946,131	\$226,180,000	97.51%

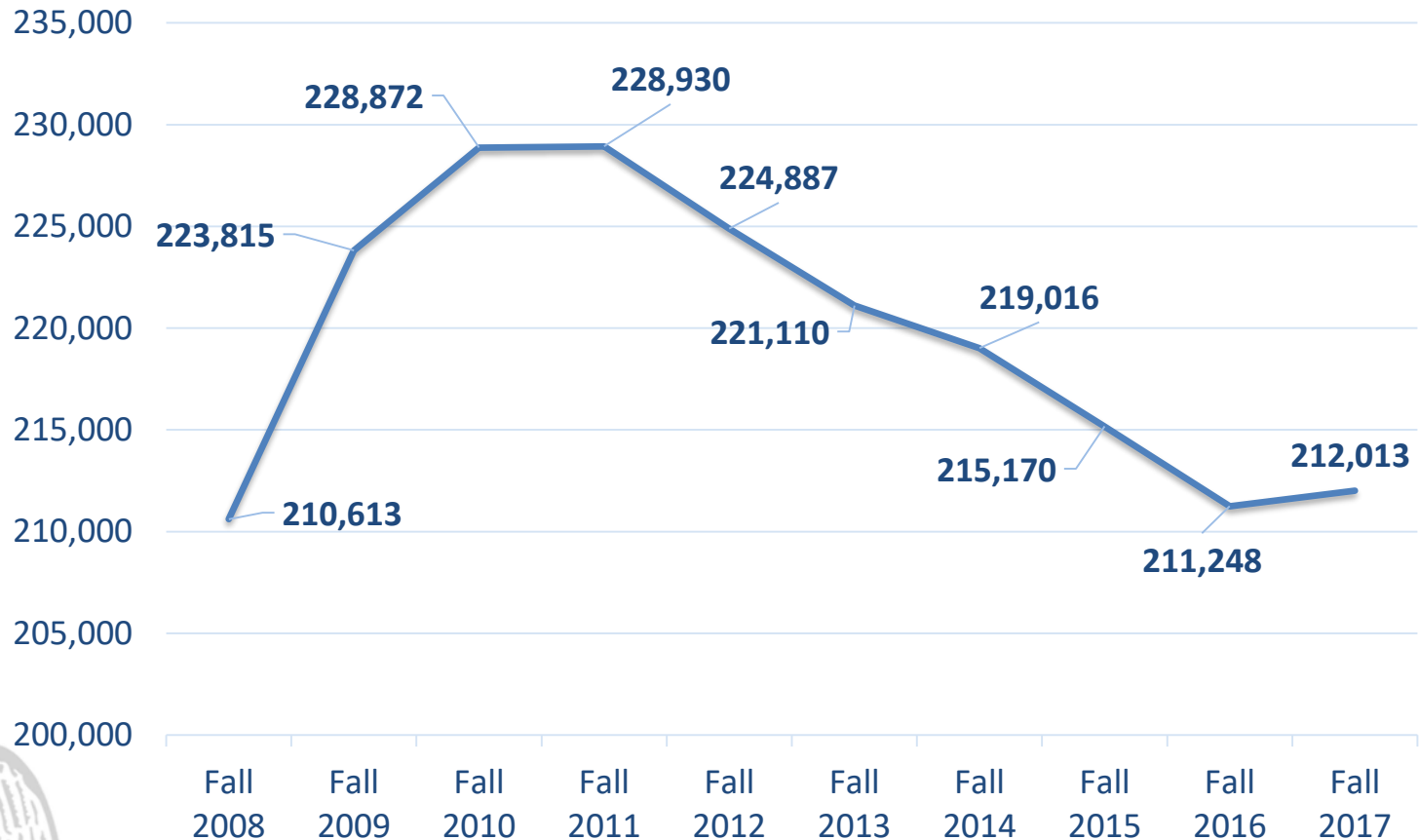


Mid-Year Budget Cuts

Fiscal Year	Mid-Year Cut to Higher Education
FY 09	\$55,182,262
FY 10	\$83,961,506
FY 11	\$34,745,030
FY 12	\$116,223,039
FY 13	\$22,834,387
FY 14	\$0
FY 15	\$4,946,681
FY 16	\$67,802
FY 17	\$18,224,266



Louisiana Public Higher Education Enrollment Student Headcount History

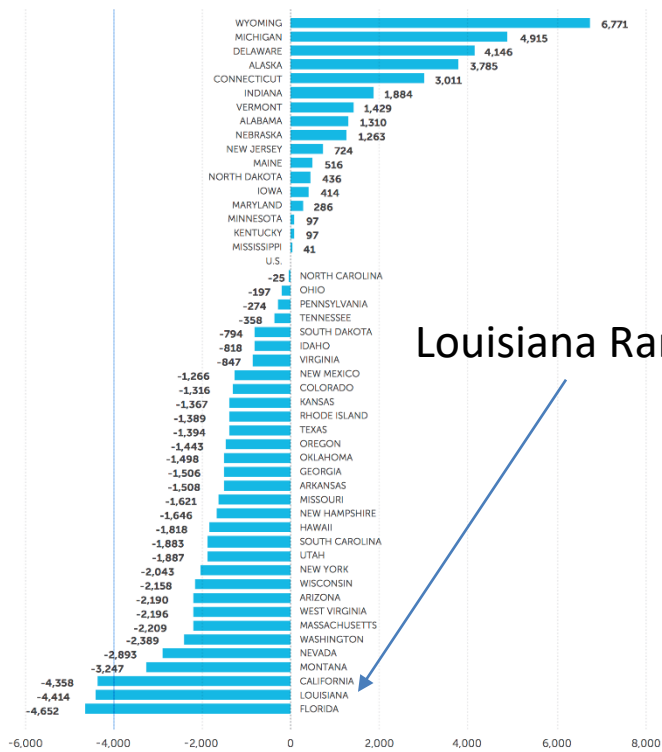


*Based on Preliminary Enrollment Data for Fall 2017; LCTCS enrollment based on final Fall 2016 enrollment
Source: Statewide Student Profile System - Data submitted by institutions*

How does Louisiana rank nationally?

FIGURE 16

TOTAL EDUCATIONAL REVENUE PER FTE (ADJUSTED) – DIFFERENCE FROM U.S. AVERAGE, FY 2016



Excludes Illinois

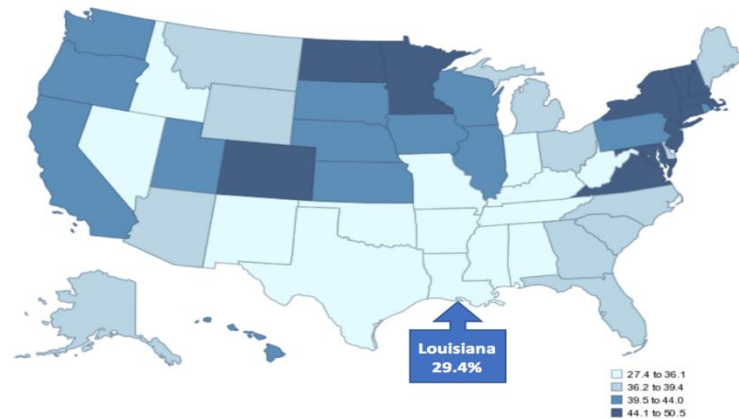
NOTES: 1. Dollars adjusted by 2016 HECA, Cost of Living Adjustment, and Enrollment Index.

2. Total Educational Revenue is the sum of educational appropriations and net tuition, excluding net tuition revenue used for capital debt service.

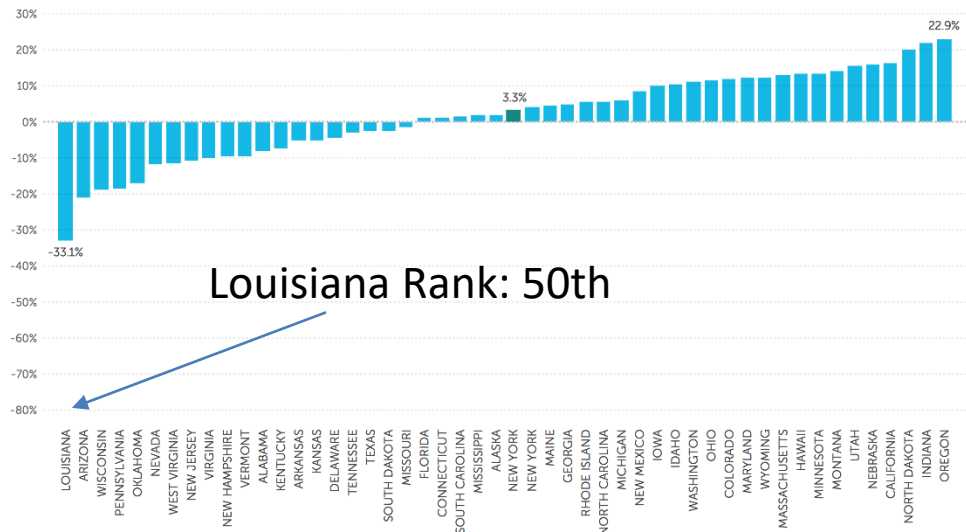
SOURCE: State Higher Education Executive Officers

Louisiana Rank: 49th

Louisiana Ranks **48th** Nationally in Educational Attainment
Percent of Adults 25-64 With Associate's Degree or Higher



PUBLIC HIGHER EDUCATION EDUCATIONAL APPROPRIATIONS PER FTE: PERCENT CHANGE, FY 2011-2016



Louisiana Rank: 50th

Excludes Illinois

NOTES: 1. Dollars adjusted by 2016 HECA, Cost of Living Index, and Enrollment Index.

2. Educational appropriations measures state and local support available for public higher education operating expenses and excludes appropriations for independent institutions, financial aid for students attending independent institutions, and research.

SOURCE: State Higher Education Executive Officers

Note: Rankings include La. TOPS program data

How does Louisiana rank when compared to SREB peer institutions?

SREB

Southern Regional
Education Board

	Public 4-Year Institutions	Public 2-Year Institutions
Funds for Educational and General Operations Per FTE Student	\$11,715 Last in SREB	\$5,825 Last in SREB
Average Salaries, Full-Time Instructional Faculty	\$65,400 Second Lowest in SREB	\$43,800 Lowest in SREB
6-Year Graduation Rate	44.7% Second Lowest in SREB	N/A
3-Year Graduation Rate	N/A	8.9% Lowest in SREB
4-Year Graduation Rate	20.2% Lowest in SREB	N/A
2-Year Graduation Rate	N/A	4.6% Lowest in SREB
Progression Rates	68% (6 Years) Third Lowest in SREB	41% (3 Years) Lowest in SREB
Average Cost of Attendance For One Year at a Public Four-Year Institution	\$16,900 Lowest in SREB	N/A
Average Debt of Graduates with Debt at Public Four-Year Graduates	\$21,640 Second Lowest in SREB	

Source: SREB 2015 Fact Book

Why does higher education matter?

Individuals with higher levels of education earn more, pay more taxes, and are more likely than others to be employed.

In 2015, median earnings of bachelor's degree recipients with no advanced degree working full time were \$24,600 (67%) higher than those of high school graduates. Bachelor's degree recipients paid an estimated \$6,900 (91%) more in taxes and took home \$17,700 (61%) more in after-tax income than high school graduates.

-Education Pays 2016, College Board

LSU System - supports \$3.9 billion in sales in Louisiana
(Barnes & Terrell, 2013)

SU System - contributes \$147.5 million in economic activity to Louisiana
(Hanover Research, 2016)

UL System - creates an annual economic impact of \$3.4 billion in Louisiana
(UL System, 2008)

LCTC System – Salary earnings for recent LCTCS graduates totaled \$1.05 billion, with the majority of graduates earning that income (and being taxed) in Louisiana.
(LCTCS, 2016)

Total Tax Revenue Increase



Decrease in Total Government Expenditure



Measurable public benefits

- Over an average lifetime, graduates with bachelor's degrees pay \$563,000 more in taxes than high-school graduates who never attend college.

- Over an average lifetime, college graduates receive \$50,000 less in Medicaid, Supplemental Security Income, unemployment benefits and other such benefits than do high-school graduates who never attended college.

- On average, college graduates:
 - Are more-active participants in democracy, with higher voting rates.
 - Participate in community organizations.
 - Lead healthier lifestyles.
 - Are less likely to be involved in criminal activities.
 - Fund the State's retirement plan.



What happened???



Legislative Recap

Act 44 >>> Sets TOPS awards to the amount of tuition charged during the 2016-17 school year.

Act 293 >>> Extends the sunset of the public postsecondary boards' authority to establish student fees to the 2020 academic year.

Act 250 >>> Provides that students found not to be college ready shall be given the opportunity to take college transition courses in high school beginning with the 2019 school year.

Act 267 >>> Prohibits an institution from inquiring about a prospective student's criminal history, except for specified offenses, prior to acceptance for admission.

Act 353 >>> Creates the Achieving a Better Life Experience in Louisiana Fund (ABLE) and provides for the deposit, investment, and distribution of such funds.



Legislative Recap

SB 225>>> Creates the LaSTEM Advisory Council chaired by the Commissioner; provides for duties & functions; and creates a fund.

HCR 89>>> Requests the Board of Regents and the UL and SU Boards of Supervisors jointly study the possibility of revising the reclassification and admission standards for UNO and SUNO.

SCR 110 >>> Creates a task force to study TOPS, including a review of the program's purpose and history, the role of the program in relation to tuition and fees, and other institutional, state and federal financial assistance programs, and ways to ensure the program's long-term viability.

HB 269>>> Provides for the free expression policies on college campuses. VETOED



Higher Education FY18 Budget

- Board of Regents budget was decreased by \$1.3M to provide funding to the Department of Health for Mental Health Services.
- Higher Education budget was decreased by \$500k to provide funding to the Workforce Commission for Rehabilitation Services.
- Means of Finance adjustment to decrease the Tobacco Fund based on Revenue Estimating Conference projections by \$2.4M and increase State General Fund by a like amount to fund TOPS. **NOTE: The \$2.4M is included in the \$84.1M to fully fund TOPS.**



- **TOPS** is fully funded at \$291.2M. This represents an increase of \$84.2M above Fiscal Year 2016-2017.
- **GO Grants** remain funded at the Fiscal Year 2016-2017 level of \$26.4M.



Where are we going???



Moving Forward

- Act 619 implementation
- Solidify dual credit policy (Act 250)
 - Address use of \$10,000,000 in Governor's Budget
 - Fix remedial need in high school
- Increase outcomes allocation in funding formula
 - FY 17: 70% base, 15% cost, 15% outcomes
 - FY 18: 65% base, 17.5% cost, 17.5% outcomes
- Secure open source material to replace / eliminate textbooks
 - Statewide plan presented to Board of Regents
- Revisit TOPS
- Advance LaSTEM Council
- Educate legislators well before start of next session and the 'fiscal cliff'



Five Metrics

Indicators of progress toward elevating Louisiana higher education

Readiness

More Louisianans will be ready for postsecondary education.

Enrollment

More students will enroll in postsecondary education.

Progression & Completion

More students will advance through the system.

Job Preparation

Louisianans will be prepared for life and work.

Social & Economic Impact

Louisiana's communities and economy will benefit.



Questions?



#ElevateLouisiana

THANK YOU FOR SUPPORTING LOUISIANA HIGHER EDUCATION

www.regents.la.gov